MUNCHY FOOD INDUSTRIES SDN BHD v. HUASIN FOOD INDUSTRIES SDN BHD

FEDERAL COURT, PUTRAJAYA
MOHD ZAWAWI SALLEH FCJ
HASNAH MOHAMMED HASHIM FCJ
HARMINDAR SINGH DHALIWAL FCJ
[CIVIL APPEAL NO: 02(f)-85-11-2019(W)]
5 OCTOBER 2021

CIVIL PROCEDURE: *Pleadings – Failure to plead – Trademark infringement – Defence of honest concurrent use – Whether court disregarded failure to plead – Whether decision inconsistent with basic principles – Whether court should confine decision to questions raised in pleadings*

INTELLECTUAL PROPERTY: *Trademark – Infringement of – Proof of infringement – Whether unlawful use of trademark without consent in course of trade caused deception/confusion among prospective customers – Whether honest concurrent use of trademark pleaded – Whether bona fide use of trademark – Whether aware of existence of registered trademark – Whether option of variation of trademark ought to have been considered before commencement of action – Whether registered owner of trademark had exclusivity over trademark – Trade Marks Act 1976, ss. 38 & 82(2)*

The appellant ('plaintiff'), a manufacturer and seller of biscuits and confectionery since its incorporation in 1991, has as its house brand, the "Munchy's" trademark. The plaintiff has various trademarks, one of which was the plaintiff's LEXUS mark, which was registered on 23 January 1998, used on packages of the plaintiff's Lexus biscuits. The defendant also produced and sold all kinds of confectionery items, one of which was the LEX biscuit. On 25 September 2015, the defendant applied to the Registrar of Trademarks ('Registrar') to register the defendant's Lex mark. The plaintiff filed an opposition to the defendant's trademark application. The plaintiff subsequently brought an action for trademark infringement and passing-off against the defendant. The plaintiff claimed that the defendant had infringed the plaintiff's registered trademark under s. 38(1)(a) of the Trade Marks Act 1976 ('TMA') by using the trademark LEX which was deceptively similar to the plaintiff's trademark in relation to its products which include biscuits and/or cream sandwich. The plaintiff's claim for passing-off was premised on the defendant's trademark which were confusingly similar to the plaintiff's trademark. The defendant counterclaimed, pursuant to s. 45(1)(a) of the TMA, for an order to remove LEXUS registered mark from the register. The High Court found in favour of the plaintiff and held that the defendant's trademark infringed the plaintiff's trademark and the defendant's Lex products passed off on the

plaintiff's Lexus products and hence, the plaintiff's claim was allowed, whilst the defendant's counterclaim was dismissed. Aggrieved, the defendant appealed to the Court of Appeal ('CA'). However, the defendant did not pursue the appeal in respect of the dismissal of the counterclaim, indicating they were prepared to accept the proposition that both the plaintiff's and defendant's trademarks could co-exist. The CA held that the Judicial Commissioner ('JC') failed to consider the issue on the totality of evidence and ought to have allowed the trademarks in dispute to co-exist. The CA was of the view that s. 45 of the TMA is discretionary in nature and, in such circumstances, the court is required to take a holistic approach and must be slow in granting equitable relief when the plaintiff has not demonstrated that other provisions of the TMA have been exhausted. As the defendant did not object both parties' mark to co-exist, it was proposed that the parties should attempt to settle. This court granted the plaintiff leave to appeal against the decision of the CA in respect of two questions of law, *inter alia*: (i) whether honest concurrent rights under the trademark registration system a relevant consideration in an action for trademark infringement and/or passing-off where the trademark of the defendant is not registered; and (ii) whether variation of a registered trademark a remedy that a plaintiff should seek as an option before commencing an action for trademark infringement and/or passing-off even if the trademark of the defendant is not registered.

Held (allowing appeal with costs)
Per Hasnah Mohammed Hashim FCJ delivering the judgment of the court:

(1) In a trademark infringement case, the burden lies with the plaintiff to prove that he owns a valid registered trademark and that the defendant had used the plaintiff's trademark in the course of trade without consent, and that unlawful usage of the trademark owned by the plaintiff caused deception or confusion among the customers. To establish a case in trademark infringement, the essential ingredients as provided under s. 38 of the TMA must be satisfied. The Federal Court in *Low Chi Yong v. Low Chi Hong & Anor* held, *inter alia*, that the burden of proof in a trademark infringement case lies with the party alleging that his trademark had been infringed and that the party complaining of the infringement must establish that: (i) he owned a valid trademark; (ii) the trademark was used in the course of trade without consent; and (iii) the unlawful usage of the trademark owned by him had caused deception/confusion among the prospective customers. (paras 36-38)

(2) Honest concurrent use is a defence, that is, the defendant had used the trademark *bona fide* and had no knowledge of the registered trademark. In order for the court to consider and apply the provision of s. 20 of the TMA, honest concurrent use of the trademark must be pleaded. However, honest concurrent use was not pleaded by the defendant or

canvassed by the parties in the High Court. The Court of Appeal completely disregarded the failure to plead honest concurrent use by the defendant and instead, opined that if the proposition that the parties were given the opportunity to settle the dispute and that the defendant did not have objection for both the parties' marks to co-exist were placed before the JC, the decision might have been different. Even if the defendant had pleaded honest concurrent use, there were no evidence adduced by the defendant that they had used the trademark *bona fide* and had no knowledge of the plaintiff's registered trademark. (para 40)

(3) The reason for the decision of the Court of Appeal was clearly inconsistent with legal principles applicable, not only in actions involving trademark infringement and passing off, but also the basic principle that parties are bound by their pleading. The court should confine its decision to the question raised in the pleadings. A court cannot make out a case not pleaded, nor can it grant a relief which is not claimed. The JC had dealt with the issues before him extensively and applied the correct principles of trademark laws and passing-off. In the circumstances, question (i) must be answered in the negative. (paras 41 & 42)

(4) In an action for trademark infringement, if the plaintiff succeeds in establishing the ingredients as provided under s. 38 of the TMA, a case for trademark infringement would be made out. Section 38 of the TMA does not require a plaintiff to consider the option of variation of trademark before commencing an action for trademark infringement. Section 82(2) of the TMA provides that the provisions of the Act shall not affect the right of action in passing-off. A plaintiff in a passing-off action is not required to prove that the public is actually deceived or confused between the goods or services of the plaintiff and defendant. In deciding the existence of a likelihood of deception and /or confusion, the court could not rely merely on a visual comparison between the packaging of the defendant's biscuits and that of the plaintiff's. The High Court, having considered the evidence meticulously, concluded that despite the differences, there was a likelihood of deception/confusion. An appellate will not reverse a trial court's findings of facts unless that finding was 'plainly wrong'. The plaintiff had exclusivity over the registered trademark and would not create a monopoly by the plaintiff of the biscuits. The plaintiff need not seek, as an option before commencing an action for trademark infringement and/or passing-off, to vary its registered trademark as remedy under any circumstances especially if the trademark of the defendant was not registered. (paras 47, 49, 50, 51, 53 & 54)

Bahasa Melayu *Headnotes*

Perayu ('plaintif'), pengeluar dan penjual biskut-biskut dan konfeksioneri semenjak penubuhannya pada 1991, membawa jenama "Munchy's" sebagai cap dagangannya. Plaintif mempunyai pelbagai cap dagangan, salah satunya tanda LEXUS plaintif, yang didaftarkan pada 23 Januari 1998, yang digunakan pada bungkusan biskut Lexus plaintif. Defendan juga mengeluarkan dan menjual kesemua jenis bahan konfeksioneri, salah satunya biskut LEX. Pada 25 September 2015, defendan memohon pada Pendaftar Cap Dagangan ('Pendaftar') untuk mendaftar tanda Lex. Plaintif memfailkan bantahan terhadap permohonan cap dagangan defendan. Plaintif kemudian memulakan tindakan untuk pelanggaran cap dagangan dan kelirupaan terhadap defendan. Plaintif menyatakan bahawa defendan melanggar cap dagangan berdaftar plaintif, bawah s. 38(1)(a) Akta Cap Dagangan 1976 ('Akta'), menggunakan cap dagangan LEX yang mengelirukan persamaannya dengan cap dagangan plaintif berkaitan dengan produk-produknya yang termasuk biskut-biskut dan/atau sandwic berkrim. Tuntutan plaintif untuk kelirupaan berasaskan cap dagangan defendan yang serupa secara mengelirukan dengan cap dagangan plaintif. Defendan menuntut balas menurut s. 45(1)(a) Akta untuk satu perintah membatalkan cap dagangan berdaftar LEXUS daripada daftar. Mahkamah Tinggi memutuskan berpihak pada plaintif dan seterusnya memutuskan cap dagangan defendan melanggar cap dagangan plaintif dan produk-produk Lex defendan dikelirukan dengan produk-produk Lexus plaintif dan oleh itu, tuntutan plaintif dibenarkan, manakala tuntutan balas defendan ditolak. Terkilan, defendan merayu ke Mahkamah Rayuan ('MR'). Walau bagaimanapun, defendan tidak meneruskan dengan rayuan berkaitan penolakan tuntutan balas menyatakan bahawa mereka bersedia menerima cadangan bahawa cap dagangan kedua-dua plaintif dan defendan boleh wujud bersama. Mahkamah Rayuan memutuskan bahawa Pesuruhjaya Kehakiman ('PK') gagal mempertimbangkan isu atas keseluruhan keterangan dan sepatutnya membenarkan cap dagangan yang dipertikaikan wujud bersama. Mahkamah Rayuan berpendapat bahawa s. 45 Akta bersifat mengikut budi bicara dan, dalam keadaan itu, mahkamah diperlukan mengambil pendekatan holistik dan tidak segera memberi relief ekuiti apabila plaintif tidak menunjukkan bahawa peruntukan-peruntukan lain Akta telah digunakan. Oleh sebab defendan tidak membantah agar kedua-dua cap dagangan wujud bersama, dicadangkan bahawa pihak-pihak wajar mencuba mencapai penyelesaian. Mahkamah ini memberi plaintif kebenaran merayu terhadap keputusan MR berkaitan dua soalan undang-undang, antara lain: (i) sama ada hak serentak yang jujur bawah sistem pendaftaran cap dagangan adalah pertimbangan relevan dalam tindakan pelanggaran cap dagangan dan/atau kelirupaan apabila cap dagangan

defendan tidak didaftar; dan (ii) sama ada perbezaan cap dagangan berdaftar adalah remedi yang plaintif perlu pohon sebagai pilihan sebelum memulakan tindakan untuk pelanggaran cap dagangan dan/atau kelirupaan walaupun cap dagangan defendan tidak berdaftar.

Diputuskan (membenarkan rayuan dengan kos)
Oleh Hasnah Mohammed Hashim HMP menyampaikan penghakiman mahkamah:

(1) Dalam kes pelanggaran cap dagangan, beban terletak pada plaintif untuk membuktikan bahawa dia memiliki cap dagangan berdaftar sah dan defendan telah menggunakan cap dagangan plaintif dalam perjalanan perniagaan tanpa persetujuan, dan kegunaan tak sah cap dagangan itu mengakibatkan perdayaan/kekeliruan pada pelanggan-pelanggan. Untuk membuktikan satu kes pelanggaran cap dagangan, perkara utama seperti yang diperuntukkan bawah s. 38 Akta mesti dipenuhi. Mahkamah Persekutuan dalam kes *Low Chi Yong v. Low Chi Hong & Anor* memutuskan, antara lain, bahawa beban pembuktian dalam pelanggaran cap dagangan terletak pada pihak yang mendakwa cap dagangannya dilanggar dan pihak yang mengadu itu perlu membuktikan bahawa (i) dia memiliki cap dagangan sah; (ii) cap dagangan itu digunakan dalam perjalanan perniagaan tanpa persetujuan; dan (iii) kegunaan secara tak sah cap dagangan miliknya mengakibatkan perdayaan/kekeliruan pada bakal pelanggan-pelanggan.

(2) Kegunaan serentak secara jujur adalah satu pembelaan, iaitu, defendan telah menggunakan cap dagangan secara *bona fide* dan tiada pengetahuan tentang cap dagangan tersebut. Untuk mahkamah mempertimbangkan dan mengguna pakai peruntukan s. 20 Akta, kegunaan serentak secara jujur cap dagangan itu mesti diplidkan. Walau bagaimanapun, kegunaan serentak secara jujur tidak diplid oleh defendan atau dikemukakan oleh pihak-pihak di Mahkamah Tinggi. Mahkamah Rayuan tidak mengendahkan sama sekali kegagalan memplid kegunaan serentak secara jujur oleh defendan dan sebaliknya, berpendapat bahawa jika cadangan bahawa pihak-pihak diberi peluang menyelesaikan pertikaian tersebut dan bahawa defendan tiada bantahan untuk cap dagangan kedua-dua pihak wujud bersama dikemukakan di hadapan PK, keputusan mungkin berbeza. Jika defendan telah memplid kegunaan serentak secara jujur pun, tiada keterangan yang dikemukakan oleh defendan bahawa mereka telah menggunakan cap dagangan itu secara *bona fide* dan tiada pengetahuan tentang cap dagangan plaintif.

(3) Alasan keputusan Mahkamah Rayuan jelas tidak konsisten dengan prinsip undang-undang yang diguna pakai, bukan hanya dalam tindakan melibatkan pelanggaran cap dagangan dan kelirupaan, malahan, prinsip asas bahawa pihak-pihak terikat oleh pliding mereka. Mahkamah

sepatutnya membataskan keputusannya pada persoalan yang dibangkitkan dalam pliding. Mahkamah tidak boleh memutuskan kes yang tidak diplid dan tidak boleh memberi relief yang tidak dipohon. Pesuruhjaya Kehakiman telah menangani isu yang dikemukakan secara menyeluruh dan mengguna pakai prinsip-prinsip undang-undang cap dagangan dan kelirupaan yang betul. Dalam keadaan tersebut, soalan (i) mesti dijawab secara negatif.

(4) Dalam satu tindakan pelanggaran cap dagangan, jika plaintif berjaya membuktikan perkara-perkara yang diperuntukkan bawah s. 38 Akta, kes untuk pelanggaran cap dagangan akan terbukti. Seksyen 38 Akta tidak memerlukan plaintif mempertimbangkan pilihan pembezaan cap dagangan sebelum memulakan tindakan untuk pelanggaran cap dagangan. Seksyen 82(2) Akta memperuntukkan bahawa peruntukan-peruntukan Akta tidak sepatutnya menjejaskan hak untuk tindakan dalam kelirupaan. Seorang plaintif dalam tindakan kelirupaan tidak perlu membuktikan bahawa orang awam diperdaya atau terkeliru antara barang-barang atau perkhidmatan plaintif dan defendan. Apabila memutuskan kewujudan kemungkinan perdayaan dan/atau kekeliruan, mahkamah tidak boleh bersandar semata-mata pada perbandingan visual antara pembungkusan biskut-biskut defendan dan biskut-biskut plaintif. Mahkamah Tinggi, setelah mempertimbangkan keterangan dengan teliti, memutuskan bahawa walaupun terdapat perbezaan, wujud kemungkinan perdayaan/kekeliruan. Mahkamah di peringkat rayuan tidak akan mengakas dapatan fakta mahkamah bicara kecuali dapatan itu 'jelas khilaf'. Plaintif mempunyai sifat eksklusif terhadap cap dagangan berdaftar itu dan tidak akan membentuk monopoli oleh plaintif berkaitan biskut-biskut itu. Plaintif tidak perlu memohon, sebagai pilihan sebelum memulakan tindakan untuk pelanggaran cap dagangan dan/atau kelirupaan, untuk membezakan cap dagangan berdaftarnya sebagai remedi bawah apa-apa keadaan pun khususnya jika cap dagangan defendan tidak berdaftar.

Case(s) referred to:

Al Baik Fast Food Distribution Co SAE v. El Baik Food Systems Co SA & Another Appeal [2016] 9 CLJ 310 CA ***(refd)***

Boh Plantations Sdn Bhd v. Gui Nee Chuan & Ors [1975] 1 LNS 4 FC ***(refd)***

Erven Warnink BV And Others v. J Townend & Sons (Hull) Ltd And Others (1979) 2 All ER 927 ***(refd)***

Low Chi Yong v. Low Chi Hong & Anor [2018] 1 CLJ 287 FC ***(refd)***

Ng Hoo Kui & Anor v. Wendy Tan Lee Peng, Administrator Of The Estates Of Tan Ewe Kwang, Deceased & Ors [2020] 10 CLJ 1 FC ***(refd)***

Sinma Medical Products (M) Sdn Bhd v. Yomeishu Seizo Co Ltd & Ors [2004] 3 CLJ 815 CA ***(refd)***

Legislation referred to:

Trade Marks Act 1976 (repealed), ss. 3(2), 6(4)(c), 14(1)(a), 19, 20, 37(b), (c), 38(1)(a), 44, 45(1)(a), 82(2)

For the appellant - Indran Shanmuganathan, Sim Sook Eng, Elisia Engku Kangon; M/s Shearn Delamore & Co

For the respondent - Khoo Guan Huat, Kuek Pei Yee, Melissa Long Lai Peng & Gooi Yang Shuh; M/s Skrine

[Editor's note: For the Court of Appeal judgment, please see Huasin Food Industries Sdn Bhd v. Munchy Food Industries Sdn Bhd [2019] 1 LNS 592 (overruled).]

Reported by S Barathi

JUDGMENT

Hasnah Mohammed Hashim FCJ:

Introduction

[1] This appeal concerns an alleged infringement of a trademark. The crux of the issue in this appeal is whether honest concurrent rights under the Trade Marks Act 1976 ("TMA") and variation of a registered trademark under the Trademarks Act are relevant considerations that need to be taken into account in an action for trademark infringement and/or passing-off.

[2] On 22 October 2019, this court granted the plaintiff leave to appeal against the decision of the Court of Appeal in respect of these two questions of law:

> Question 1
>
> Is honest concurrent rights under the Trademark Registration system a relevant consideration in an action for trademark infringement and/or passing-off where the trademark of the defendant is not registered?; and
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> Question 2
>
> Is variation of a registered trademark a remedy that a plaintiff should seek as an option before commencing an action for trademark infringement and/or passing-off even if the trademark of the defendant is not registered?

[3] For the purpose of this judgment, the parties will be referred to as they were in the High Court, namely the appellant as the plaintiff and the respondent as the defendant.

The Factual Background

[4] The plaintiff, Munchy Food Industries Sdn Bhd is a manufacturer and seller of biscuits and confectionary since its incorporation in 1991. The plaintiff's house brand is "Munchy's" trademark (Munchy's house brand).

[5] The plaintiff has various trademarks, one of which is the plaintiff's LEXUS mark which was registered on 23 January 1998 (registration no. 98013537) used on packages of plaintiff's Lexus biscuits.

[6] The plaintiff's LEXUS products are packaged as follows:

[7] Sometime in August 2015, the plaintiff received a complaint from its customer who had wrongly associated the defendant's biscuit with that of the plaintiff's.

[8] The defendant also produces and sells all kinds of confectionery items, one of which is the LEX biscuit. The defendant uses a combined mark comprising of stylised "Lex" in a circular design with a curved stalk of wheat for the defendant's cream sandwich biscuit products. The defendant's Lex products are packaged as below:

[9] On 25 September 2015, the defendant applied to the Registrar of Trademarks (Registrar) to register the defendant's Lex mark. The plaintiff filed an opposition to the defendant's trademark application.

[10] The plaintiff subsequently brought an action in the High Court for trademark infringement and passing-off against the defendant. The plaintiff claimed that the defendant had infringed the plaintiff's registered trademark under s. 38(1)(a) TMA by using the trademark LEX which is deceptively similar to the plaintiff's trademark in relation to its products which include biscuits and/or cream sandwich. The plaintiff's claim for passing-off was premised on the defendant's trademark which are confusingly similar to the plaintiff's trade mark.

[11] The defendant filed a counterclaim pursuant to s. 45(1)(a) TMA for a court order to remove LEXUS registered mark from the Register based on the grounds that: (i) that the public is likely to be deceived and/or confused

between plaintiff's LEXUS mark and Toyota's LEXUS mark pursuant to the first limb of s. 14(1)(a) TMA read with s. 37(b) TMA and/or (ii) that the plaintiff's LEXUS mark is not distinctive of plaintiff's biscuits within the meaning of s. 37(c) TMA. In the present case, it is pertinent to note that Toyota is not a party in this case and Toyota's LEXUS mark is not used for the biscuits produced by the plaintiff.

The High Court

[12] The High Court found in favour of the plaintiff and held that the defendant's trademark infringes the plaintiff's trademark and the defendant's Lex products pass off on the plaintiff's Lexus products. In deciding so, the learned High Court Judge addressed the defendant's counterclaim first, for the reason that if the defendant succeeds to remove the plaintiff's LEXUS mark from the Register, the plaintiff's claim based on infringement of the plaintiff's LEXUS mark shall consequently be dismissed on this ground alone.

[13] The learned Judicial Commissioner allowed the plaintiff's claim and dismissed the defendant's counterclaim. He summarised his decision as follows:

> 74. In summary:
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> (1) a party sued for infringement of a registered trade mark, is "aggrieved" by the registered trademark under s. 45(1)(a) TMA and is therefore entitled to file an Expungement Application;
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> (2) the plaintiff is the 1st User of plaintiff's LEXUS Mark for biscuits in the course of trade in Malaysia;
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> (3) the defendant cannot rely on a Likelihood of Deception/Confusion [the first limb of s 14(1)(a) TMA read with ss 37(b) and 45(1)(a) TMA] to remove plaintiff's LEXUS Mark from the Register because plaintiff is the 1st User of plaintiff's LEXUS Mark;
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> (4) an Expungement Application may rely on the existence of a Likelihood of Deception/Confusion between a registered trademark and a Stranger's trademark as a ground to remove the registered trademark from the Register;
>
> (5) assuming that the plaintiff is not the 1st User of plaintiff's LEXUS Mark for biscuits in the course of trade in Malaysia, there is nonetheless no likelihood of deception/confusion between plaintiff's LEXUS Mark (used on plaintiff's Biscuits) and Toyota's LEXUS Mark (used for LEXUS cars);
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> (6) the plaintiff's LEXUS Mark is capable of distinguishing plaintiff's Biscuits from other brands of cream sandwich biscuits within the meaning of s 10(2A) TMA because the plaintiff's LEXUS Mark is both inherently distinctive [s 10(2B)(a) TMA] and factually distinctive [s 10(2B)(b) TMA] of plaintiff's Biscuits;

(7) a house brand may be used together with a sub-brand for the same Goods/Services and both the house brand and sub-brand may be distinctive of the Goods/Services provided that the house brand and sub-brand fulfill the criteria of distinctiveness as laid down in s 10(2A), (2B)(a) and (b) TMA;

(8) notwithstanding *Hiu Kuan Hoe*, the court may still apply the imperfect recollection test in deciding a Likelihood of Deception/ Confusion (regarding trademarks and tort of passing off) for goods purchased off the shelf. In this regard, the court should not undertake a side-by-side comparison between:

(a) the trademarks in question; and

(b) the goods in question;

(9) the defendant's use of Lex Mark has infringed plaintiff's LEXUS Mark under s 38(1)(a) TMA. In this regard, the defendant cannot rely on the 3 Purported Defences;

(10) the defendant has passed off defendant's Biscuits as plaintiff's Biscuits; and

(11) the court will not draw an adverse inference against the plaintiff under s 114(g) EA for not producing the Complaint and plaintiff's Accounts because such evidence is not material to this case and the plaintiff has not suppressed such evidence.

The Court Of Appeal

[14] Aggrieved with the decision of the High Court, the defendant filed an appeal in the Court of Appeal. At the hearing of the appeal, the defendant decided not to pursue their appeal in respect of the dismissal of their counterclaim and indicated to the court that they were prepared to accept the proposition that both the plaintiff's and defendant's trademarks can co-exist.

[15] The main complaint of the defendant before the Court of Appeal is that the learned High Court Judge applied the wrong test to assess a likelihood to deceive or cause confusion by narrowly applying a single 'essential feature' comparison. Learned counsel contended that the correct test is the holistic approach; firstly, the court has to consider the marks as a whole, and secondly, the court has to consider all relevant circumstances of trade.

[16] Learned counsel for the defendant relied on the provision of s. 38(1) TMA, that the plaintiff must establish, *inter alia*, that the defendant's trademark is so near resembling the plaintiff's registered trademark as to be likely to deceive or confuse the public and contended that the plaintiff had failed to do so as required by statute and authorities. It was further submitted by learned counsel for the defendant that in allowing the plaintiff's claim, the learned Judicial Commissioner had failed to apply the correct test to assess 'misrepresentation', similarly contingent on a likelihood of deception and confusion when he failed to compare the marks and get-up (ie, packaging) as a whole and to all circumstances of trade.

[17] In response, learned counsel for the plaintiff submitted that evidence presented during the course of trial had established that the offending trademark used by the defendant in relation to the products was within the scope of registration of the plaintiff's trademark and resembling the plaintiff's registered trademark as likely to deceive or cause confusion amongst the consumers. There has been extensive and consistent use of the plaintiff's trademark by the defendant which resulted in goodwill and reputation to its business, which is a property right protected under the law of passing-off.

[18] The Court of Appeal held that the learned Judicial Commissioner failed to consider the issue on the totality of evidence and ought to have allowed the trademarks in dispute to co-exist:

> [3] What the court has failed to consider is whether on the totality of evidence, it should allow the marks in dispute to co-exist and dismiss the plaintiff's claim as well as the counterclaim. In addition, the issues such as deception, confusion, imperfect or recollection, etc. must be dealt with the evidence of literacy level of the consumers purchasing the product. Bare reliance of case laws is merely a rhetoric when the literacy level of consumer is not taken into account. In *Keep Good Feel Corp Sdn Bhd (previously known as Fasa Bebas Sdn Bhd) & Anor v. Pharma World (M) Sdn Bhd & Ors* [2009] 1 LNS 843; [2010] 1 MLJ 242, the court *inter alia* on the facts held:
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> (2) The increased literacy level of the Chinese community in Malaysia at the age group of purchasing gynaecological products such as those offered by the plaintiffs and defendants, was sufficient for them to identify and distinguish the plaintiffs' and defendants' product. As such there was no basis for the plaintiffs' complaint of passing off or cause of action for malicious falsehood and slander of goods or infringement of trademark by relying on old common law cases on passing off to initiate proceedings.

[19] The Court of Appeal was of the view that s. 45 TMA is discretionary in nature. In such circumstances, the court is required to take a holistic approach and must be slow in granting equitable relief when the plaintiff has not demonstrated to the court that other provisions of TMA have been exhausted.

[20] As the defendant did not object for both parties' mark to co-exist, it was proposed that the parties should attempt to settle. The Court of Appeal stated in its judgment:

> [15] In the instant case, we had given opportunity for the parties to settle the matter and pointed out the 'co-existence' provision. The defendant did not have objection for both parties mark to co-exist. If the proposition been placed before the learned High Court judge, the decision may have been different.

The Statutory Framework

[21] We begin our discussion with reference to the relevant provisions of the TMA. Section 6(4) TMA reads:

> (4) The incorporation of the previous registers into the Register shall have the following effect:
>
> (a) where a trademark has been registered and entered in all the previous registers by a proprietor for all three component regions of Malaysia, such a trademark shall in its incorporation into the Register be deemed to be a registered trademark in the name of such proprietor under this Act;
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> (b) where a trademark has been registered and entered in any of the previous registers by a proprietor for any one or two of the component regions of Malaysia, such a trademark shall in its incorporation into the Register be deemed to be a registered trademark in the name of such proprietor under this Act if on the date on which this Act comes into force:
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> (i) no identical trademark or trademark so nearly resembling the first-mentioned trademark in respect of the same goods or same description of goods as is likely to deceive or cause confusion has been registered and entered in the remaining previous register or registers prior to the date of the coming into force of this Act by a different proprietor or proprietors for any of the remaining component regions of Malaysia; and
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> (ii) no application for the registration of an identical trademark or trademark so nearly resembling the first-mentioned trademark in respect of the same goods or same description of goods as is likely to deceive or cause confusion has been made prior to the date of the coming into force of this Act by another person for any of the remaining component regions of Malaysia or, where it has been made, it is subsequently refused, abandoned or successfully opposed;
>
> (c) where a trademark has been registered and entered in any of the previous registers by a proprietor for any one or two of the component regions of Malaysia and an identical trademark or trademark so nearly resembling the first mentioned trademark in respect of the same goods or same description of goods as is likely to deceive or cause confusion has been registered and entered in any of the previous registers by a different proprietor or proprietors for all or any one of the remaining component regions of Malaysia both the first mentioned trademark and the identical trademark or trademark so nearly resembling the first mentioned trademark in their incorporation into the Register shall be deemed to be registered trademarks in the names of the respective proprietors under this Act subject to concurrent use of the trademarks by their respective proprietors in accordance with subsection 20(1);

A (d) where a trademark has been registered and entered in any of the previous registers by a proprietor for any one or two of the component regions of Malaysia and only an application or applications for the registration of an identical trademark or trademark so nearly resembling the first mentioned trademark in respect of the same goods or same description of goods as is likely to deceive or cause confusion has been made prior to the date of the coming into force of this Act by another person for any of the remaining component regions of Malaysia, the first mentioned trademark in its incorporation into the Register shall be effective only in respect of the component region or regions of Malaysia in which it was originally registered unless the application or applications has or have been subsequently refused, abandoned or successfully opposed in which case the first mentioned trademark shall be deemed to be a registered trademark in the name of such proprietor under this Act.

[22] Section 19 TMA provides that no trademark shall be registered in respect of any goods or description of goods:

(a) that is identical with a trademark belonging to a different proprietor and entered in the Register in respect of the same goods or description of goods or in respect of services that are closely related to those goods; or

(b) that so nearly resembles such a trademark as is likely to deceive or cause confusion.

[23] However, in the case of honest concurrent use or the circumstances described in s. 6(4)(c) TMA or of other special circumstances which, in the opinion of the court or the Registrar, make it proper so to do, the court or the Registrar may permit the registration of more than one proprietor in respect of trademarks which are identical or so nearly resembling each other as are likely to deceive or cause confusion where the registration of the different proprietors in respect of the same goods or description of goods; or in the case of at least one proprietor, is in respect of goods, and in the case of the other or others, is in respect of services closely related to those goods.

[24] Section 20 TMA relates to the registration of a competing trademark if honest concurrent use is shown, and provides as follows:

(1) Notwithstanding subsection 19(1), in the case of honest concurrent use or of the circumstances described in paragraph 6(4)(c) or of other special circumstances which, in the opinion of the court or the Registrar, make it proper so to do, the court or the Registrar may permit the registration of more than one proprietor in respect of trademarks which are identical or so nearly resembling each other as are likely to deceive or cause confusion where the registration of the different proprietors-

(a) is in respect of the same goods or description of goods; or

(b) in the case of at least one proprietor, is in respect of goods, and in the case of the other or others, is in respect of services closely related to those goods, subject to such conditions, amendments, modifications or limitations, if any, as the court or the Registrar, as the case may be, may think right to impose.

(1A) Notwithstanding subsection 19(2), in the case of honest concurrent use or of other special circumstances which, in the opinion of the court or the Registrar, make it proper so to do, the court or the Registrar may permit the registration of more than one proprietor in respect of trademarks which are identical or so nearly resembling each other as are likely to deceive or cause confusion where the registration of the different proprietors:

(a) is in respect of the same services or description of services; or

(b) in the case of at least one proprietor, is in respect of services, and in the case of the other or others, is in respect of goods closely related to those services,

subject to such conditions, amendments, modifications or limitations, if any, as the court or the Registrar, as the case may be, may think right to impose.

(2) The Registrar shall not refuse to register a trademark which is identical to or so nearly resembling another trademark in the Register if the appellant of the first mentioned trademark or his predecessor in business has continuously used that trademark from a date before:

(a) the use of that other trademark by the registered proprietor or his predecessor in business or by a registered user; or

(b) the registration of that other trademark by the registered proprietor or his predecessor in business,

whichever is the earlier.

[25] Section 38 TMA deals with infringement of a trademark, the basis of this appeal:

(1) A registered trademark is infringed by a person who, not being the registered proprietor of the trademark or registered user of the trademark using by way of permitted use, uses a mark which is identical with it or so nearly resembling it as is likely to deceive or cause confusion in the course of trade in relation to goods or services in respect of which the trademark is registered in such a manner as to render the use of the mark likely to be taken either:

(a) as being use as a trademark;

(b) in a case in which the use is use upon the goods or in physical relation thereto or in an advertising circular, or other advertisement, issued to the public, as importing a reference to a person having the

A right either as registered proprietor or as registered user to use the trademark or to goods with which the person is connected in the course of trade; or

(c) in a case in which the use is use at or near the place where the services are available or performed or in an advertising circular or other advertisement issued to the public, as importing a reference to a person having a right either as registered proprietor or as registered user to use the trademark or to services with the provision of which the person is connected in the course of trade.

Our Analysis And Decision

Question 1

Is Honest Concurrent Rights Under The Trademark Registration System A Relevant Consideration In An Action For Trademark Infringement And/Or Passing-off Where The Trademark Of The Defendant Is Not Registered?

[26] Before us, learned counsel for the plaintiff submitted that the purpose of question 1 is to address the question on whether honest concurrent rights which is provided under the Act is a relevant consideration in a trademark infringement and/or passing-off action when the defendant does not have any registered trade mark.

[27] It was argued by learned counsel for the plaintiff that the Court of Appeal fell into error when it considered the effect of s. 20 TMA, which was not part of the pleaded case of the parties. The Court of Appeal referred to the case of *Al Baik Fast Food Distribution Co SAE v. El Baik Food Systems Co SA & Another Appeal* [2016] 9 CLJ 310 which had addressed and considered the issue of honest concurrent rights; that is, the parties should have sought orders for co-existence of the marks to avoid confusion and generate healthy competition for the benefit of the public:

> [13] We have read the appeal records and the able submissions of the parties. After much consideration to the submissions of the plaintiff, we take the view that the appeal should be allowed in favour of the defendant, limited to the plaintiff's claim as the defendant have informed the court that they are not pursuing the counterclaim. Our reasons *inter alia* are as follows:
>
> (a) It is well established from the facts of the case that both parties are genuine traders and not tortfeasor *per se*. Trademark law is not meant to give any form of monopoly to traders at the expense of the public. The Trademark Act itself provides provision for genuine traders who claim probable confusion may arise to seek suitable orders from the registrar of trademarks to vary the mark itself. This was explained in detail in the case of *Al Baik Fast Food Distribution Co SAE v. El Baik Food Systems Co SA & Another Appeal* [2016] 9 CLJ 310 and was followed in *Faiz Rice Sdn Bhd & Anor v. Syarikat Faiza*

Sdn Bhd & Anor [W-02(IPCV)(W)-1276-07/2017], where my learned brother Kamaludin bin Md Said JCA wrote the judgment endorsing the principles stated in *Al Baik*.

(b) We do not wish to repeat what was said in these cases, save to say that TMA is framed in such a way for the court to consider whether the parties should have sought orders for co-existence of the marks to avoid confusion and generate healthy competition for the benefit of the public as opposed to exercise minute technical arguments and reliance of cases from jurisdiction where 'co-existence' may not be part of the law then. Decisions of courts developed from early times without taking into consideration of our statutory framework will not stand as good precedent at all.

[28] Learned counsel for the plaintiff submitted that the focus of this appeal concerns an action for trademark infringement and passing-off. The registrability or the registration of the defendant's trademark is not the subject matter of this dispute. Therefore, s. 20 of the TMA is not a relevant provision for consideration in the determination of the issues before the Court of Appeal. Furthermore, the Court of Appeal had considered and decided the issues under s. 20 TMA when the defendant did not plead honest concurrent use. As it was not pleaded by the defendant, the parties did not raise or even canvass or address the defence of honest concurrent use in the High Court, naturally the High Court Judge did not address on s. 20 TMA and the defence of honest concurrent use.

[29] Learned counsel for the plaintiff urged this court to reverse the decision of the Court of Appeal as it has resulted in far-reaching consequences; applying s. 20 of TMA in favour of the defendant when it was never part of the pleaded case of the defendant. This resulted in injustice to the plaintiff as it was raised for the first time in the Court of Appeal with no evidence to support the proposition of honest concurrent use.

[30] Learned counsel for the plaintiff further argued that the Court of Appeal failed to consider the issue of passing-off and had effectively dismissed the plaintiff's claims in passing-off solely based on various provisions under the TMA. Trademark infringement and passing-off are two separate and distinct actions. There are different ingredients that a party need to establish in each of these actions. In support, learned counsel for the plaintiff cited the case of *Erven Warnink BV And Others v. J Townend & Sons (Hull) Ltd And Others* (1979) 2 All ER 927 where it was held that in order to succeed in an action for passing-off, five ingredients must be established:

(i) misrepresentation;

(ii) made in the course of trade;

(iii) to prospective or ultimate customers;

(iv) calculated to injure the goodwill and reputation of the respondent; and

(v) which has resulted in damages.

[31] Learned counsel further submitted that the approach taken by the Court of Appeal cannot be correct in view of s. 82(2) of the TMA which specifically provides that provisions of the TMA shall not affect the right of actions in passing-off:

> (1) No person shall be entitled to initiate any action to prevent or to recover damages for the infringement of an unregistered trade mark.
>
> (2) Notwithstanding subsection (1), nothing in this Act shall be deemed to affect the right of action against any person for passing off goods or services as those of another person or the remedies in respect thereof.

[32] In response, learned counsel for the defendant argued that the basis of question 1 is on erroneous premise that the Court of Appeal rejected the plaintiff's claim for trademark infringement and passing-off because of honest concurrent rights of the defendant's trademark is allowed under s. 20 TMA and as a consequence, both trademarks may co-exist. It was further submitted that there is a distinction between "co-existence" and "honest concurrent use". He explained that honest concurrent use arises where, despite two competing marks being identical or so similar that they cause a likelihood of deception or confusion, due to prolonged concurrent use or other special circumstances, both marks are nevertheless registrable and/or not infringing of each other. The term "co-existence" generally refers to the factual scenario where two marks are not deceptively or confusingly similar, and, thus, can be used in the trade without incidence or exception.

[33] It was further argued that among the reasons that the Court of Appeal applied the term "co-existence" is the reference to whether consumer literacy levels are likely able to be confused or able to identify and distinguish the plaintiff's and that of the defendant's products. The thrust of the Court of Appeal's decision that the plaintiff's mark and the defendant's mark, their respective products and packaging, can co-exist was within its usual meaning. That there would be a lack of likely deception and confusion, and not on an application of honest concurrent use as the plaintiff asserts. Therefore, learned counsel submitted that an examination of question 1 on "honest concurrent rights" is unnecessary as it does not address the thrust of the Court of Appeal decision, as there was no decision on honest concurrent use, only co-existence.

[34] Learned counsel for the defendant argued that even if the Court of Appeal had applied the doctrine of honest concurrent use, it is relevant to trademark infringement and passing off actions, even where the defendant's mark is an unregistered mark and that under Malaysian laws trademark need not be registered to accrue rights and goodwill.

[35] The Court of Appeal's reasoning for allowing the appeal by the defendant is premised on the following:

Our reasons *inter alia* are as follows:

(a) It is well established from the facts of the case that both parties are genuine traders and not tortfeasor *per se*. Trademark law is not meant to give any form of monopoly to traders at the expense of the public. The Trademark Act itself provides provision for genuine traders who claim probable confusion may arise to seek suitable orders from the registrar of trademarks to vary the mark itself. This was explained in detail in the case of *Al Baik Fast Food Distribution Co SAE v. El Baik Food Systems Co SA & Another Appeal* [2016] 9 CLJ 310 and was followed in *Faiz Rice Sdn Bhd & Anor v. Syarikat Faiza Sdn Bhd & Anor* [W-02(IPCV)(W)-1276-07/2017], where my learned brother Kamaludin bin Md Said JCA wrote the judgment endorsing the principles stated in *Al Baik*.

(b) We do not wish to repeat what was said in these cases, save to say that TMA is framed in such a way for the court to consider whether the parties should have sought orders for co-existence of the marks to avoid confusion and generate healthy competition for the benefit of the public as opposed to exercise minute technical arguments and reliance of cases from jurisdiction where 'co-existence' may not be part of the law then. Decisions of courts developed from early times without taking into consideration of our statutory framework will not stand as good precedent at all.

[14] In addition, it must be noted that s. 45 of the Trademark Act 1976 does not *per se* recognise substantive rights of parties. It is discretionary in nature and the court is required to take a holistic approach, taking into consideration other provisions of the Act. Very importantly, if the plaintiff is seeking a declaratory relief, the court must be slow in granting equitable relief when the plaintiff has not demonstrated to the court that other provisions of the Act have been exhausted. In the instant case, "co-existence" is an option with suitable variation of the mark under the Act. Courts attempting to conclude "trade mark" rights are substantive in nature only leads to promoting litigation at the expense of the public. The TMA is not framed in such a way for the courts to establish a "monopoly" regime.

[15] In the instant case, we had given opportunity for the parties to settle the matter and pointed out the "co-existence" provision. The defendant did not have objection for both parties mark to co-exist. If the proposition been placed before the learned High Court judge, the decision may have been different.

[36] It is trite law that in a trademark infringement case, the burden lies with the plaintiff to prove that he owns a valid registered trademark and that the defendant had used the plaintiff's trademark in the course of trade without consent. And that unlawful usage of the trademark owned by the plaintiff

caused deception or confusion among the customers. Gill CJ had the occasion to state in the case of *Boh Plantations Sdn Bhd v. Gui Nee Chuan & Ors* [1975] 1 LNS 4; [1975] 2 MLJ 213 that in an action for infringement, it is the plaintiff that will complain of infringement against the defendant:

> In an action for infringement the plaintiff complains that the defendant has infringed his trademark by taking in its entirety, or by taking a substantial portion of it, or by colourably imitating it, and he relies on his statutory title to the exclusive use of the mark in question for goods of a specified kind.

[37] To establish a case in trademark infringement, the essential ingredients as provided under s. 38 TMA must be satisfied. The word "use" in s. 38 TMA, is defined in s. 3(2) TMA which reads:

> In this Act:
>
> (a) references to the use of a mark shall be construed as references to the use of a printed or other visual representation of the mark;
>
> (b) references to the use of a mark in relation to goods shall be construed as references to the use thereof upon, or in physical or other relation to, goods; and
>
> (c) references to the use of a mark in relation to services shall be construed as references to the use thereof as a statement or as part of a statement about the availability or performance of services.

[38] In *Low Chi Yong v. Low Chi Hong & Anor* [2018] 1 CLJ 287; [2018] 1 MLJ 175 the issue was whether a proprietor in consenting to the use of their registered trademark by company or a firm, he is still a shareholder/director or a partner of, can be considered as having abandoned their exclusive right to the trademark in perpetuity, even if they derive no benefit. The Federal Court held that, where the protection given to the registered trademark owner is clearly spelt out, and as consent was never given by them to the respondents after leaving the second respondent, the principles of abandonment, estoppel, acquiescence and laches were not applicable. Suriyadi Halim Omar FCJ delivering the judgment of the court emphasised that the burden of proof in trademark infringement case lies with the party alleging that his trademark have been infringed and that the party complaining of the infringement must establish the following:

(i) he owned a valid trademark;

(ii) that the trademark was used in the course of trade without consent; and

(iii) the unlawful usage of the trademark owned by him had caused deception/confusion among the prospective customers.

[39] With respect, the Court of Appeal adopted a wrong approach instead of considering the conflicting tests argued by the parties in determining the likelihood of confusion or deception in an action for trademark infringement, the Court of Appeal considered issues which were not pleaded and concluded that parties should have sought orders for co-existence of the marks to avoid confusion and generate healthy competition for the benefit of the public.

[40] Honest concurrent use is a defence, that is, the defendant had used the trademark *bona fide* and had no knowledge of the registered trademark. In order for the court to consider and apply the provision of s. 20 TMA, honest concurrent use of the trademark must be pleaded. However, in this appeal, honest concurrent use was not pleaded by the defendant or canvassed by the parties in the High Court. The failure to plead honest concurrent use by the defendant was completely disregarded by the Court of Appeal. Instead, the Court of Appeal opined that if the proposition that the parties were given the opportunity to settle the dispute and that the defendant did not have objection for both the parties' marks to co-exist were placed before the learned Judicial Commissioner, the decision may have been different. Even if the defendant had pleaded honest concurrent use, there were no evidence adduced by the defendant that they had use the trademark *bona fide* and had no knowledge of the plaintiff's registered trademark.

[41] The reason for the decision of the Court of Appeal is clearly inconsistent with legal principles applicable not only in actions involving trademark infringement and passing-off but, also the basic principle that parties are bound by their pleading. The Court of Appeal departed from the well-trodden path of procedure. Pleadings represent the cornerstone of any litigant's case. The court should confine its decision to the question raised in the pleadings. A court cannot make out a case not pleaded. Nor can it grant a relief which is not claimed. The Judicial Commissioner had dealt with the issues before him extensively and applied the correct principles of trademark laws and passing-off.

[42] Even for a moment a holistic approach is taken, the court cannot simply ignore the basic tenets of pleadings and the laws relating to the dispute between the parties, in this case the TMA. On the factual matrix of the instant case, I am in total agreement with the submission of learned counsel for the plaintiff. I am of the firm opinion that the circumstances that the Court of Appeal misdirected itself and committed an error of law. Based on the foregoing analysis of the provisions of TMA as well as having regard to settled law on trademark infringement and more importantly, on pleadings, question 1 must be answered in the negative.

Question 2

Is Variation Of A Registered Trademark A Remedy That A Plaintiff Should Seek As An Option Before Commencing An Action For Trademark Infringement And/Or Passing-off Even If The Trademark Of The Defendant Is Not Registered?

[43] The Court of Appeal held that the plaintiff failed to demonstrate that the provisions of the TMA had been exhausted before commencing its action for trademark infringement and/or passing-off. Learned counsel for the plaintiff contended that the issue before this court is whether variation of a registered trademark is a remedy that a plaintiff should seek as an option before commencing an action for trademark infringement and/or passing-off even if the trademark of the defendant is not registered.

[44] Learned counsel for the plaintiff referred to the provision of s. 44 TMA which provides that a registered proprietor of a trademark may apply to the Trademarks Registrar for leave to add to or alter the trademark. It is absurd to even to suggest that the plaintiff vary its registered trademark which they had registered in 1998 and used for almost 23 years, that is 17 years before the defendant had even commenced the use of its trade mark. Given that the defendant's trademark has yet to be registered, the Registrar of Trademarks is not empower under the TMA to order the plaintiff to vary the trademark.

[45] In response, learned counsel for the defendant highlighted to this court that the Court of Appeal had allowed the appeal for other reasons and not due to the failure of the plaintiff to seek variation orders. In fact, no variation was ordered or even suggested by the Court of Appeal. The Court of Appeal's references to variation were mere observations and recommendations.

[46] The Court of Appeal opined that the plaintiff should have sought the option of variation of the trade marks provided under s. 44 of the TMA prior to commencing the action for trademark infringement and passing-off. Section 44 of the TMA provides that a registered proprietor of a trademark may apply to the Trademarks Registrar for leave to add to or alter the trademark in any manner not substantially affecting the identity of the mark.

[47] In an action for trademark infringement, if the plaintiff succeeds in establishing the ingredients as provided under s. 38 TMA, a case for trademark infringement would be made out. Section 38 TMA does not require a plaintiff to consider the option of variation of trademark before commencing an action for trademark infringement.

[48] Learned counsel for the plaintiff urged this court to consider and reverse the decision of the Court of Appeal as it introduced an obligation upon those who possessed a registered trademark to apply for variation before initiating an action for trademark infringement.

[49] I am in agreement with the submission advanced by learned counsel for the plaintiff that s. 82(2) TMA provides that the provisions of the Act shall not affect the right of action in passing-off. I cannot comprehend why, despite this provision, the Court of Appeal had reversed the decision of the High Court, in particular, the action in passing-off.

[50] A plaintiff in a passing-off action is not required to prove that the public is actually deceived or confused between the goods or services of the plaintiff and defendant (see: *Sinma Medical Products (M) Sdn Bhd v. Yomeishu Seizo Co Ltd & Ors* [2004] 3 CLJ 815)

[51] In deciding the existence of a likelihood of deception and/or confusion, the court cannot rely merely on a visual comparison between the packaging of the defendant's biscuits and that of plaintiff's biscuits. In this regard, the High Court Judge considered the evidence before him meticulously and concluded that despite the differences that there is a likelihood of deception/confusion based on the following reasons:

> (1) both the packagings of defendant's Biscuits and plaintiff's Biscuits have the following three striking similarities:
>
> (a) the packagings of defendant's Biscuits and plaintiff's Biscuits have the same first three letters in the same sequence (LEX) (3 Letters). The 3 Letters are given the biggest prominence in both the packagings of defendant's Biscuits and plaintiff's Biscuits. In comparison to Lex Mark, the SAMUDRA Mark and Banana Logo are inconspicuous in packets containing defendant's Biscuits;
>
> (b) both the packagings of defendant's Biscuits and plaintiff's Biscuits have a "cream sandwich biscuit device" which is given prominence; and
>
> (c) the packets of defendant's Biscuits and plaintiff's Biscuits is in the same rectangular shape; and
>
> (2) the same reasons which support a Likelihood of Confusion/Deception (Trademark Infringement) between the plaintiff's LEXUS Mark and Lex Mark (please see the above paragraph 55) also support a Likelihood of Deception/Confusion (Passing Off).

[52] Thus, on the facts and evidence, the High Court found that the similarities in the packaging of defendant's biscuits will lead or likely to lead the consumers to believe that defendant's biscuits are that of the plaintiff's biscuits.

[53] This is the findings of facts by the trial court. Typically, an appellate will not reverse a trial court's findings of facts unless that finding was "plainly wrong". (See: *Ng Hoo Kui & Anor v. Wendy Tan Lee Peng, Administrator Of The Estates Of Tan Ewe Kwang, Deceased & Ors* [2020] 10 CLJ 1).

[54] I am satisfied that the plaintiff has exclusivity over the registered trademark and will not create a monopoly by the plaintiff of the biscuits. The plaintiff need not seek as an option before commencing an action for trademark infringement and/or passing-off to vary its registered trademark as remedy under any circumstances especially if the trademark of the defendant is not registered.

Conclusion

[55] I have considered the competing submissions of counsels before me, read all the authorities cited during arguments. After a careful reading of the section and having regard to the philosophy behind it, I am of the view that there is merit in the appellant's appeal. In the circumstances of the case, we allow the appellant's appeal with costs.

[56] I, therefore, set aside the decision of the Court of Appeal and reinstate the decision of the High Court. My learned brothers, Mohd Zawawi Salleh and Harmindar Singh Dhaliwal FCJs have read this judgment in draft and have expressed their agreement with it.